

1 WEIL, GOTSHAL & MANGES LLP
Stephen Karotkin (*pro hac vice*)
2 (stephen.karotkin@weil.com)
Ray C. Schrock, P.C. (*pro hac vice*)
3 (ray.schrock@weil.com)
Jessica Liou (*pro hac vice*)
4 (jessica.liou@weil.com)
Matthew Goren (*pro hac vice*)
5 (matthew.goren@weil.com)
767 Fifth Avenue
6 New York, NY 10153-0119
Tel: 212 310 8000
7 Fax: 212 310 8007

8 KELLER BENVENUTTI KIM LLP
Tobias S. Keller (#151445)
9 (tkeller@kbbkllp.com)
Jane Kim (#298192)
10 (jkim@kbbkllp.com)
650 California Street, Suite 1900
11 San Francisco, CA 94108
Tel: 415 496 6723
12 Fax: 650 636 9251

13 *Attorneys for Debtors*
14 *and Reorganized Debtors*

15 **UNITED STATES BANKRUPTCY COURT**
16 **NORTHERN DISTRICT OF CALIFORNIA**
17 **SAN FRANCISCO DIVISION**

17 **In re:**

18 **PG&E CORPORATION,**

19 **- and -**

20 **PACIFIC GAS AND ELECTRIC**
21 **COMPANY,**

22 **Debtors.**

- 23 ☐ Affects PG&E Corporation
24 ☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

25 ** All papers shall be filed in the Lead*
26 *Case, No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)
Chapter 11 (Lead Case) (Jointly Administered)

**DECLARATION OF JACOB R. SORENSEN IN
SUPPORT OF APPLICATION OF DEBTORS
PURSUANT TO 11 U.S.C. § 327(e), FED. R.
BANKR. P. 2014(a) AND 2016, AND THE ORDER
AUTHORIZING THE DEBTORS TO EMPLOY
PROFESSIONALS USED IN THE ORDINARY
COURSE OF BUSINESS FOR AUTHORITY TO
RETAIN AND EMPLOY PILLSBURY
WINTHROP SHAW PITTMAN LLP AS SPECIAL
COUNSEL FOR THE DEBTORS EFFECTIVE AS
OF THE PETITION DATE**

Date: August 25, 2020
Time: 10:00 a.m. (Pacific Time)
Place: (Telephonic or Video Appearances Only)
United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

1 Pursuant to 28 U.S.C. § 1746, I, Jacob R. Sorensen, hereby declare as follows:

2 1. I am a partner of Pillsbury Winthrop Shaw Pittman LLP, and my office is located at Four
3 Embarcadero Center, 22nd Floor, San Francisco, CA 94111 (“**Pillsbury**” or the “**Firm**”).

4 2. I submit this Declaration in connection with the Application, submitted on the date hereof
5 (the “**Application**”),¹ of PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company
6 (the “**Utility**”), as debtors and reorganized debtors (collectively, the “**Debtors**”) in the above-captioned
7 chapter 11 cases (the “**Chapter 11 Cases**”), for authority to employ and retain Pillsbury as their special
8 counsel for certain matters, effective as of January 29, 2019 (the “**Petition Date**”), at its existing agreed-
9 upon hourly rates in effect from time to time and in accordance with its existing reimbursement policies
10 applicable to the Debtors, in compliance with section 327(e) of title 11 of the United States Code
11 (the “**Bankruptcy Code**”), and to provide the disclosure under the Federal Rules of Bankruptcy
12 Procedure (the “**Bankruptcy Rules**”) and the Bankruptcy Local Rules for the U.S. District Court for the
13 Northern District of California (the “**Bankruptcy Local Rules**”) as applicable to retention under section
14 327(e) of the Bankruptcy Code. Unless otherwise stated in this Declaration, I have personal knowledge
15 of the facts set forth herein. To the extent any information disclosed herein requires amendment or
16 modification upon Pillsbury’s completion of further review, or as additional information becomes
17 available, a supplemental declaration will be submitted to the Court reflecting such amended,
18 supplemented or otherwise modified information.

19 3. Except as set forth herein, to the best of my knowledge, after due inquiry, neither I,
20 Pillsbury, nor any partner of, counsel to, or associate of the Firm represents any entity other than the
21 Debtors in connection with these Chapter 11 Cases. In addition, except as set forth herein, to the best of
22 my knowledge, after due inquiry, neither I, Pillsbury, nor any partner of, counsel to, or associate of the
23 Firm represents any party in interest with respect to the matters for which Pillsbury is to be employed.
24 Additionally, Pillsbury does not represent any party other than the Debtors in connection with the
25 Specific Matters (as defined below) that are the subject of the Application.

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28 ¹ Capitalized terms used but not otherwise defined herein shall have the same meanings ascribed to such terms in the Application.

1 **Background**

2 4. On February 27, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 105(a), 327,*
3 *328, and 330 Authorizing the Debtors to Employ Professionals Used in the Ordinary Course of Business*
4 *Nunc Pro Tunc to the Petition Date* [Dkt No. 707] (the “**OCP Order**”) authorizing the Debtors to retain
5 and compensate legal services professionals that the Debtors employ in the ordinary course of business
6 (collectively, the “**Ordinary Course Professionals**”) subject to the terms of the OCP Order. Pillsbury
7 has served as counsel to the Debtors prior to the Petition Date and has continued to serve in such capacity
8 pursuant to the OCP Order. Pursuant to the OCP Order, the Debtors previously filed the *Declaration*
9 *and Disclosure Statement of Jacob R. Sorensen, On Behalf of Pillsbury Winthrop Shaw Pittman LLP*
10 (the “**Prior Sorensen Declaration**”), annexed as Exhibit A-51 to the *Notice of Filing of (I) Ordinary*
11 *Course Professional Declarations and Retention Questionnaires and (II) List of Additional Ordinary*
12 *Course Professionals* [Dkt. No 1130].

13 5. While Pillsbury was approved and has been serving as an Ordinary Course Professional
14 in the Chapter 11 Cases, recent developments have compelled Pillsbury to dedicate significantly more
15 time to its representation of the Debtors. Based on my discussions with the Debtors, the services they
16 have asked Pillsbury to perform in connection with the Specific Matters have exceeded the caps set forth
17 in the OCP Order; accordingly, the Debtors seek approval of Pillsbury as special counsel in connection
18 with the Specific Matters pursuant to section 327(e) of the Bankruptcy Code, *nunc pro tunc* to the
19 Petition Date, as contemplated by paragraph 2(ix) of the OCP Order. Pillsbury’s continued
20 representation of PG&E in these matters is the most efficient and cost-effective path for PG&E.

21 6. Pillsbury has represented and continues to represent and advise PG&E in (i) transactional
22 matters relating to PG&E’s relocation of its headquarters to Oakland, California (the “**Oakland Office**
23 **Project**”); (ii) transactional matters relating to local energy generation in connection with mitigation of
24 Public Safety Power Shutoff or PSPS events (the “**Energy Supply Advice**”); (iii) nuclear regulatory
25 advice (the “**Nuclear Work**”); (iv) environmental enforcement defense and compliance advice (the
26 “**Environmental Advice**”); and (v) general pre-litigation advice and strategy (the “**Litigation Advice**”)
27 (together, (i) through (v), the “**Specific Matters**”). The Specific Matters are described in more detail
28 below.

1 **A. The Oakland Office Project**

2 7. Pillsbury advised PG&E on the move of its headquarters from San Francisco to Oakland.
3 Since the early 2000s, PG&E had been considering alternatives to its San Francisco headquarters and,
4 in 2018, the Debtors engaged a property developer (TMG Partners R.E., LLC or “**TMG**”) and a real
5 estate company to assist in evaluating its options. Throughout the process, PG&E had been focused on
6 finding a new headquarters that would allow it to consolidate its various Bay Area locations, improve
7 employees’ workspace, and increase collaboration and productivity. In 2019, PG&E briefly considered
8 redeveloping and consolidating its operations into one of its San Francisco locations, but this option
9 presented significant shortcomings.

10 8. In late 2019, PG&E found a replacement location in Oakland that could house all its
11 employees, and Pillsbury was retained to provide counsel on this matter in early 2020. PG&E’s board
12 of directors approved a plan wherein TMG would acquire the Oakland property and enter a long-term
13 lease with PG&E with an option for PG&E to acquire the property in 2023. TMG was then selected as
14 the buyer of the property and entered a Lease and Purchase Option Agreement with PG&E in June 2020.
15 This agreement was contingent on the Bankruptcy Court’s approval. This process culminated in the
16 filing of the *Motion of the Debtors Pursuant to 11 U.S.C. §§ 363 and 105(A) for an Order Authorizing*
17 *the Utility to (I) Enter Into Lease and Purchase Option Agreement for Oakland Headquarters and (II)*
18 *Granting Related Relief* [Dkt. No. 7852], and the Court entering the *Order Granting Motion of the*
19 *Debtors Pursuant to 11 U.S.C. §§ 363 and 105(a) for an Order Authorizing the Utility to (I) Enter Into*
20 *Lease and Purchase Option Agreement for Oakland Headquarters and (II) Granting Related Relief* [Dkt.
21 No. 8103] approving the transaction.

22 **B. Energy Supply Advice**

23 9. In December 2019 Pillsbury was engaged to represent PG&E in connection with the
24 System Reliability Request for Offers in the initial phase to procure energy resources to provide
25 Distributed Generation Microgrid Services (“**DGEMS**”). PG&E was seeking DGEMS in order to create
26 islanded microgrids, with integrated storage, at up to 20 substation sites to mitigate the effects of public
27 safety power shutoff events, which procurement would qualify towards minimum procurement required
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1 under the California Public Utilities Commission (“CPUC”) Decision D. 19-11-016. PG&E suspended
2 the Request for Offers in early March 2020.

3 10. In late March 2020, PG&E identified the 44MW natural gas fired Red Bluff Power Plant
4 (the “Plant”) as capable of being upgraded to provide islanded microgrid services during PSPS events
5 and engaged Pillsbury for assistance. By creating a microgrid in Red Bluff, CA, PG&E will be able to
6 keep the lights on in Tehama County, California if they need to de-energize transmission lines to two
7 substations (Rawson and Tyler). The Plant is ideally suited to provide microgrid islanding services for
8 several reasons and is owned by a third party. Pillsbury advised PG&E on the contractual structure
9 pursuant to which the Plant would be upgraded to enable it to provide DGEMS and PG&E would
10 purchase the power generated by the plant when operating during PSPS events. Final documentation
11 was executed on May 7, 2020 and CPUC approval was secured on June 11, 2020. Pillsbury continues
12 to advise on issues as they arise during the implementation of the upgrades at the Plant.

13 **C. Nuclear Work**

14 11. Pillsbury has advised PG&E regarding the compliance of aspects of the Plan of
15 Reorganization with Nuclear Regulatory Commission (“NRC”) requirements. Pillsbury has also been
16 advising on strategic planning relating to the decommissioning of the Diablo Canyon nuclear power
17 plant. In addition, Pillsbury has provided advice on other nuclear regulatory issues that have arisen from
18 time to time, such as the effect of the COVID-19 virus on NRC-regulated activities, and compliance with
19 NRC requirements pertaining to the nuclear decommissioning trust for the Diablo Canyon nuclear plant.

20 **D. Environmental Advice**

21 12. Pillsbury has been advising PG&E for a number of years with respect to enforcement
22 defense and compliance with federal, state and local environmental, health and safety requirements,
23 including more recently on compliance with California’s greenhouse gas regulations, and on air quality
24 compliance and permitting issues associated with provision of emergency power to the grid during Public
25 Power Safety Shutoffs (“PSPS”).

26 **E. Litigation Advice**

27 13. Pillsbury has provided advice and counseling relating to various contract disputes or
28 potential disputes with one of the company’s vendors.

1 **Scope of Services**

2 14. As contemplated by the Application, the Debtors seek to engage Pillsbury as special
3 counsel to provide professional services in connection with the Specific Matters.

4 15. As to the Oakland Office Project, Pillsbury's representation of PG&E includes, but is not
5 limited to, counseling PG&E on its recent headquarters move from San Francisco to Oakland.

6 16. With respect to the Energy Supply Advice, Pillsbury's representation includes, but is not
7 limited to, representing PG&E in the procurement process to obtain energy resources and advising
8 PG&E on the contractual structure related to the Red Bluff Power Plant.

9 17. Regarding the Nuclear Work, Pillsbury's representation of PG&E includes, but is not
10 limited to, strategic planning related to the decommissioning of the Diablo Canyon nuclear power plant
11 and ensuring compliance with NRC requirements.

12 18. With respect to the Environmental Advice, Pillsbury's work includes, but is not limited
13 to, guiding PG&E on matters relating to federal, state, and local environmental requirements and
14 ensuring PG&E's compliance with greenhouse gas and air quality regulations.

15 19. Finally, regarding the Litigation Advice, Pillsbury's mandate involves the provision of
16 advice concerning various contract disputes.

17 20. Pillsbury also has performed all other necessary legal services for the Debtors, as related
18 to the above matters, in connection with the Chapter 11 Cases, including fact investigation, legal
19 researching, briefing, argument, discovery, reorganization, plan and disclosure statement matters,
20 appearance and participation in hearings, and communications and meetings with parties in interest.

21 **Pillsbury's Qualifications**

22 21. Pillsbury is well-qualified to represent the Debtors on all matters within the scope of the
23 proposed engagement. The Specific Matters for which Pillsbury's retention is sought hereunder as
24 special counsel are expected to be substantially the same as those performed under the OCP Order;
25 however, the scope of such services is expected to increase in connection with the Chapter 11 Cases,
26 necessitating the filing of the Application. The Debtors seek to retain Pillsbury in connection with the
27 Specific Matters because of Pillsbury's recognized expertise in matters such as the Specific Matters, and
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1 extensive experience and knowledge in connection with the Specific Matters themselves as a result of
2 representing the Debtors in connection with such matters before and during the Chapter 11 Cases.

3 22. Pillsbury's real estate attorneys are highly skilled and experienced in all aspects of real
4 estate law including acquisitions, development projects, and financing. The Firm advises companies
5 across the United States and globally on real estate matters ranging from multijurisdictional portfolio
6 transactions to single-asset deals in local markets.

7 23. Pillsbury also has extensive history in the energy industry. Pillsbury has a long record of
8 advising clients on the unique issues related to oil and gas and power companies. In particular, Pillsbury
9 has one of the largest and most preeminent nuclear energy practices in the legal industry. Pillsbury has
10 worked on large-scale energy projects in more than seventy-five countries on six continents.

11 24. Moreover, Pillsbury's environmental regulatory practice is experienced in guiding clients
12 through complex environmental law and compliance matters. The Firm's top-notch environmental
13 regulatory attorneys appear for clients before regulatory agencies and advocate for clients on legislation,
14 regulation, and policy.

15 25. Lastly, Pillsbury is well qualified with respect to litigation matters in general and with
16 litigation involving contract disputes in particular. Pillsbury has a long history of success in representing
17 many of the nation's leading energy companies in litigation and regulatory matters. Pillsbury's
18 commercial litigation lawyers are known for combining their deep understanding of the energy industry
19 and with their litigation skills and have earned a national reputation for successful advocacy in litigation
20 matters.

21 26. Further, as noted above, Pillsbury already has extensive experience advising and
22 representing the Debtors on the various pending litigation matters. In addition, prior to the Petition Date,
23 Pillsbury represented the Debtors in several matters, acquiring considerable knowledge of Debtors'
24 business and operations. Accordingly, Pillsbury is both well qualified and uniquely able to represent the
25 Debtors in the Chapter 11 Cases with respect to the Specific Matters.

26 27. Accordingly, I believe that Pillsbury is both well-qualified and uniquely able to represent
27 the Debtors in the Chapter 11 Cases with respect to the Specific Matters.

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will exceed the applicable caps set forth in the OCP Order), Pillsbury will seek allowance of its fees and reimbursement of its expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the *United States Bankruptcy Court Northern District of California Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees*, effective February 19, 2014, and the *United States Trustee Guidelines Region 17*, updated December 16, 2016 (the “**Local Guidelines**”), the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013 (the “**U.S. Trustee Guidelines**” and together with the Local Guidelines, the “**Fee Guidelines**”), the OCP Orders, and any additional further Order of the Court in these Chapter 11 Cases regarding professional compensation and reimbursement of expenses (the “**Orders**”). Pillsbury will seek allowance of all fees and expenses for the period of June 1, 2020 to July 1, 2020. Fees attributable to the period after December 31, 2019, will be charged at Pillsbury’s 2020 hourly rates.²

33. Pillsbury and the Debtors have not agreed to any variations from, or alternatives to, Pillsbury’s standard billing arrangements negotiated with the Debtors and also used under the OCP Order. As discussed in more detail below, Pillsbury rates are subject to periodic change in the ordinary course of business. The Pillsbury 2020 hourly rates for the attorneys presently working on the engagement range as follows:

<u>Billing Category</u>	<u>Range</u>
Partners	\$725 to \$950
Counsel	\$650 to \$1,010
Associates	\$410 to \$700
Paraprofessional	\$240 to \$280

34. The Pillsbury hourly rates are set at a level designed to compensate Pillsbury fairly for the work of its attorneys and paraprofessionals and to cover fixed and routine expenses. Hourly rates

² Pillsbury’s 2020 rates are subject to customary rate adjustment to be negotiated and agreed to by the Debtors and Pillsbury in a manner consistent with past practice.

1 vary with the experience and seniority of the individuals assigned. These hourly rates are subject to
2 periodic adjustments to reflect economic and other conditions.³

3 35. Pillsbury will maintain detailed, contemporaneous time records in six-minute intervals
4 and apply to the Court for payment of compensation and reimbursement of expenses in accordance with
5 the Bankruptcy Code, Bankruptcy Rules, the Fee Guidelines, and the Orders. Pillsbury timekeepers will
6 record time using billing categories that substantially conform to those categories set forth at section 8(b)
7 of the U.S. Trustee Guidelines, and will record the amount of time per task within each billing category.
8 Furthermore, Pillsbury will maintain records of expenses incurred and itemize those expenses as well as
9 summarize them by expense categories established as part of Pillsbury's customary billing procedures.

10 36. Pillsbury's policy is to charge its clients in all areas of practice for out-of-pocket expenses
11 incurred in connection with the client's case. The expenses charged to clients include, among other
12 things, mail and express mail, special or hand delivery, messengers, photocopying, scanning and/or
13 printing, computerized research fees (which shall not be more than the actual cost Pillsbury incurs),
14 travel expenses, "working meals," transcription, as well as non-ordinary overhead expenses such as
15 secretarial and other overtime. For disbursements over \$1,500, we may request specific payment
16 arrangements or that advances be provided. Our personnel bill for travel time, but if they work on
17 another matter while traveling for the Debtors, the Debtors will not be billed for that time.

18 37. Pillsbury will charge for these expenses in a manner and at rates consistent with charges
19 made generally to its other clients, in accordance with the terms and conditions set forth in the
20 Engagement Agreement, and in compliance with all applicable rules, procedures and orders of the Court.

21 38. Pillsbury understands that interim and final fee awards are subject to approval by this
22 Court.

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³ Like many other law firms, Pillsbury typically increases the hourly billing rate of attorneys and
26 paraprofessionals once a year, which increase includes (i) ordinary course step increases related to the
27 advancing seniority or promotion of an attorney or paraprofessional (a "**Step Increase**"), and (ii)
28 periodic (generally yearly) rate increases with respect to each level of seniority (a "**Rate Increase**"). The
Step Increases do not constitute "rate increases" (as the term is used in the U.S. Trustee Guidelines).
The proposed order provides that Pillsbury will provide reasonable advance notice to the Debtors and
the U.S. Trustee of any Rate Increase.

1 **Pillsbury's Prepetition Claims**

2 39. On October 15, 2019, Pillsbury filed a proof of claim related a pre-petition claim held
3 against PG&E in the amount of \$9,527.98. That claim, which is identified as Claim No. 55145 on the
4 official register of claims in these cases, was transferred to Fair Harbor Capital, LLC, on January 13,
5 2020. *See Notice of Transfer of Claim Other Than For Security* [Docket No. 5355].

6 **No Interest Adverse to the Debtors With Respect to the Specific Matters**

7 40. Pillsbury maintains a master client database as part of its conflict clearance and billing
8 records. The master client database includes the names of the entities for which any attorney time
9 charges have been billed since the database was first created (the "**Client Database**"). The Client
10 Database includes the names of all current and former clients, the names of the parties who are or were
11 related or adverse to such current and former clients, and the names of the Pillsbury personnel who are
12 or were responsible for current or former matters for such clients. The Client Database also includes the
13 name of former clients of Pillsbury attorneys while such attorneys were at a prior firm. Pillsbury's policy
14 is that no new matter may be accepted or opened within Pillsbury without completing and submitting to
15 those charged with maintaining the conflict clearance system the information necessary to check each
16 such matter for conflicts, including the identity of the prospective client, the name of the matter, adverse
17 parties, and, in some cases, parties related to the client or to an adverse party. Accordingly, the database
18 is updated for every new matter undertaken by Pillsbury. The accuracy of the system is a function of
19 the completeness and accuracy of the information submitted by the attorney opening a new matter.

20 41. In connection with the Debtors' proposed retention of Pillsbury, the Firm undertook to
21 determine whether it has any conflicts or other relationships that might cause it to hold or represent an
22 interest adverse to the Debtors or their estates with respect to the Specific Matters. In addition, on
23 July 29, 2020, counsel for the Debtors provided Pillsbury with a list of creditors of the Debtors and other
24 persons and entities who potentially have an interest in the Chapter 11 Cases (collectively, the
25 "**Interested Parties List**"). The Interested Parties List may change during the pendency of these
26 Chapter 11 Cases without our knowledge. Pillsbury will update this Declaration as necessary when new
27 names of parties in interest are made available.
28

1 42. To the extent I have been able to ascertain based on the search of the Client Database and
2 reasonable inquiry, **Schedule 1** to this Declaration identifies those Interested Parties, or affiliates, that
3 are or have been Pillsbury clients within the immediately prior two years. None of the representations
4 listed on **Schedule 1** or described below is materially adverse to the interests of the Debtors or their
5 estates with respect to the Specific Matters, and all prior and current Pillsbury representations of the
6 clients, former clients, or their affiliates and/or subsidiaries are or have been in matters unrelated to the
7 Specific Matters.

8 43. To the best of my knowledge, after due inquiry, none of the representations identified in
9 **Schedule 1** is related to the Specific Matters for which the Debtors seek to engage Pillsbury pursuant to
10 the Application.

11 44. In addition, as part of its intake process in connection with each of the Specific Matters
12 and again in connection with this Application, Pillsbury performed a conflicts search regarding the
13 names of adversaries in the Specific Matters. To the best of my knowledge, after due inquiry, Pillsbury
14 does not represent any adversary of the Debtors in the Specific Matters.

15 45. The Firm may have performed services in the past and may perform services in the future,
16 in matters unrelated to the Chapter 11 Cases, for persons that are creditors or other parties in interest in
17 the Debtors' Chapter 11 Cases. As part of Pillsbury's customary practice, the Firm is retained in cases,
18 proceedings, and transactions involving many different parties, some of whom may represent or be
19 claimants or employees of the Debtors, or other parties in interest in these Chapter 11 Cases. Except as
20 disclosed below, Pillsbury does not perform services for any such person in connection with these
21 Chapter 11 Cases. The Firm does not have any relationship with any person, or such person's attorneys,
22 or such person's accountants that would be adverse to the Debtors or their estates with respect to the
23 Specific Matters. From time to time, Pillsbury has referred work to other professionals retained or to be
24 retained in these Chapter 11 Cases, and certain such professionals have referred work to Pillsbury. Also,
25 as part of its practice, Pillsbury appears in cases, proceedings, and transactions involving many different
26 attorneys, accountants, financial consultants, and investment bankers, some of whom now or may in the
27 future represent claimants and other parties in interest in this case. Except as disclosed below, Pillsbury
28 does not represent any such parties in relation to the Debtors or these Chapter 11 Cases, and will not do

1 so in the future without the Debtors' consent. Pillsbury does not have any relationship with any such
2 attorneys, accountants, financial consultants, or investment bankers that would be adverse to the Debtors
3 or their estates in connection with the Specific Matters.

4 46. Pillsbury may currently represent or formerly may have represented the following parties
5 in the following matters related to the Debtor and these Chapter 11 Cases:

6 a. Bank of America, N.A., in its capacity as administrative agent (and its successor
7 Wilmington Trust National Association) under PG&E Corporation's syndicated bank revolving
8 credit agreement in connection with the Chapter 11 Cases and in its individual capacity in
9 connection with various financial accommodations with the Debtors;

10 b. Chevron Corporation and its operating affiliates and entities, including, but not
11 limited to, Chevron USA, Inc., its affiliates and divisions, Chevron Products Company, Chevron
12 Power Holdings, Inc., Chevron North America Exploration and Production, Chevron's
13 Upstream, Midstream, Downstream, and trading divisions, and Chevron Natural Gas Services,
14 Inc., in connection with various prepetition agreements and operational arrangements and
15 accommodations;

16 c. Hawaiian Electric Company in connection with its prepetition contracts with, and
17 prepetition claims against, the Debtors.

18 d. San Francisco Baseball Associates LLC and its affiliates, China Basin Ballpark
19 Company LLC and San Francisco Giants Baseball Club LLC in connection with the Chapter 11
20 Cases;

21 e. The Board of Trustees of the Leland Stanford Junior University and Stanford
22 Health Care in connection with its prepetition contracts with, and prepetition claims against, the
23 Debtors;

24 f. TH Kazakatom in connection with negotiation and documentation of a
25 postpetition contract; and

26 g. Wells Fargo Bank, N.A., in connection with various financial accommodations
27 with the Debtors.
28

1 I do not believe that Pillsbury's past or current representation of such parties, all of which are subject to
2 written waivers from the Debtors, creates any interest materially adverse to the Debtors with respect to
3 the Specific Matters.

4 47. Certain insurance companies pay the legal bills of Pillsbury clients. Some of these
5 insurance companies may be involved in these Chapter 11 Cases. None of these insurance companies,
6 however, is a Pillsbury client as a result of the fact that it pays legal fees on behalf of a client of Pillsbury.

7 48. From time to time, Pillsbury partners, counsel, associates, and employees personally
8 invest in mutual funds, retirement funds, private equity funds, venture capital funds, hedge funds, and
9 other types of investment funds, through which such individuals indirectly acquire a debt or equity
10 security of many companies, one of which may be one of the Debtors, often without the knowledge of
11 Pillsbury. To the extent that Pillsbury partners, counsel, associates, and employees personally directly
12 acquire a debt or equity security of a company, Pillsbury has a long-standing policy prohibiting attorneys
13 and employees from using confidential information that may come to their attention in the course of their
14 work. In this regard, all Pillsbury attorneys and employees are barred from trading in securities with
15 respect to which they possess confidential information.

16 49. Based on the inquiry above, to the best of my knowledge, information and belief, insofar
17 as I have been able to ascertain after reasonable inquiry, I can attest that Pillsbury neither holds nor
18 represents an interest adverse to the Debtors or their estates with respect to the Specific Matters.
19 Pillsbury will review its files periodically during the pendency of these Chapter 11 Cases to ensure that
20 no conflicts or other disqualifying circumstances exist or arise with respect to the Specific Matters. If
21 any new relevant facts or relationships are discovered or arise with respect to the Specific Matters,
22 Pillsbury will use reasonable efforts to identify such further developments and will promptly file a
23 supplemental declaration, as required by Bankruptcy Rule 2014(a).

24 **Attorney Statement Pursuant to U.S. Trustee Guidelines**

25 The following is provided in response to the request for additional information set forth in
26 Paragraph D.1 of the U.S. Trustee Fee Guidelines.

27 **Question:** Did you agree to any variations from, or alternatives to, your standard or customary
28 billing arrangements for this engagement? **Response:** Yes. The rates in the Engagement Agreement,

1 attached as Exhibit A, were specifically negotiated with the Debtors and are significantly lower than
2 Pillsbury's standard hourly rates.

3 **Question:** Do any of the professionals included in this engagement vary their rate based on the
4 geographic location of the bankruptcy case? **Response:** No.

5 **Question:** If you represented the client in the twelve (12) months prepetition, disclose your
6 billing rates and material financial terms for the prepetition engagement, including any adjustments
7 during the twelve (12) months prepetition. If your billing rates and material financial terms have changed
8 postpetition, explain the difference and the reasons for the difference. **Response:** Pillsbury represented
9 the Debtors in connection with certain of the Specific Matters prior to the Petition Date. The applicable
10 rates for 2018 for the individuals working on the Specific Matters are set forth in the Engagement
11 Agreement, attached as Exhibit A. The 2018 rates were negotiated as part of the Debtors' competitive
12 Request for Proposal solicitation process, with an agreement that the 2018 rates would remain in place
13 for 2019 without any increases. At the end of 2019, Pillsbury negotiated increases in its billing rates for
14 2020 because of expiration of the two-year rate agreement. The 2020 hourly rates for the individuals
15 working on the Specific Matters are set forth in the Addendum to Master Services Agreement for
16 Pillsbury Winthrop Shaw Pittman LLP, dated January 1, 2020. The increase in hourly rates reflects
17 changes in economic conditions and other factors. The 2020 hourly rates negotiated with the Debtors
18 remain significantly lower than Pillsbury's standard hourly rates.

19 **Question:** Has your client approved your prospective budget and staffing plan, and, if so, for
20 what budget period? **Response:** Pillsbury has agreed that the Specific Matters governed by short form
21 engagement letters are subject to approved budget and staffing plans.

22 I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry,
23 the foregoing is true and correct and that this declaration was executed at Piedmont, California on this 5th
24 day of August, 2020.

25
26 /s/ Jacob R. Sorensen
27 Jacob R. Sorensen
28